



STATE BOARD OF EQUALIZATION

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 Executive Secretary

No. 78/178

October 10, 1978

TO COUNTY ASSESSORS:

SUMMARY OF PROPOSED LEGISLATION NUMBER 36

In compliance with your Legislative Committee's proposal that you be informed of the various property tax bills and amendments being proposed in the State Legislature, we submit to you those measures introduced or amended recently that have reached our office.

We are including only those bills or constitutional amendments that we feel are of importance to you as an assessor. Bills concerning the functions of the tax collector, auditor, and other county or special district officials will usually be excluded.

Copies of bills and amendments introduced may be obtained by placing orders with the Legislative Bill Room (State Capitol, Room 1149, Sacramento, 95814).

SIGNED BY THE GOVERNOR

<u>Bill Number</u>	<u>Chapter Number</u>	<u>Date Signed</u>	<u>Effective Date</u>
AB 736	1026	September 21, 1978	Immediately

An act to amend Sections 17687 and 24833 of, and to add Sections 17687.5 and 24833.5 to, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

Existing law provides a 23% depletion allowance for sulfur.

This bill would decrease such allowance to 22%.

Existing law limits the amount of depletion allowance with respect to taxpayers whose total accumulated depletion allowance equals the adjusted cost of their interest in the oil or gas wells subject to depletion. The annual limit is \$1,500,000 reduced by 125% of the authorized allowance in excess of \$1,500,000.

This bill would limit the amount of depletion in the same manner as oil and gas wells with respect to taxpayers whose total accumulated depletion allowance with respect to sulfur equals the adjusted cost of their interest in the property subject to depletion. The annual limit would be \$1,500,000 reduced by 125% of the authorized allowance in excess of \$1,500,000.

Such limit could reduce the amount of income subject to the imposition of the tax on items of tax preference and increase the amount subject to regular personal income taxes or regular bank and corporation taxes.

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SIGNED BY THE GOVERNOR (Contd.)

<u>Bill Number</u>	<u>Chapter Number</u>	<u>Date Signed</u>	<u>Effective Date</u>
AB 2130	970	September 20, 1978	Immediately

An act to amend and renumber Section 6460.1 of, to add Section 6460.1 to, and to add Chapter 14.5 (commencing with Section 5330) to Division 7 of, the Streets and Highways Code, relating to the Improvement Act of 1911, and declaring the urgency thereof, to take effect immediately.

Under the Improvement Act of 1911, the bond issued for the unpaid assessment on any parcel of land is secured by the parcel.

This bill would authorize such bond, in the case of Indian-owned land, as defined, to be secured by a possessory interest created by a lease with a remaining term of at least 15 years beyond the term of the bond, with the consent of the Bureau of Indian Affairs, the fee owner, and any owner of an existing prior recorded possessory interest in the land.

The bill would take effect immediately as an urgency statute.

<u>Bill Number</u>	<u>Chapter Number</u>	<u>Date Signed</u>	<u>Effective Date</u>
AB 2754	834	September 15, 1978	January 1, 1979

An act to add Section 18056.4 to the Health and Safety Code, relating to vehicles.

A camper is defined, generally, as a structure providing facilities for human habitation, designed to be mounted upon a motor vehicle. A camper is not required to be registered or identified.

This bill would require the Department of Housing and Community Development to develop, after consulting with industry representatives, an identification numbering system to insure a unique number for each truck camper. Prior to May 1, 1979, manufacturers of truck campers, as specified, would be required to apply to the department for assignment of truck camper identification numbers.

This bill would make it unlawful to manufacture a camper after July 1, 1979 unless the manufacturer's serial or identification number, as specified, is legibly stamped onto, or permanently affixed to, the interior and exterior of the camper.

In addition, the sale by a retailer of a new camper without a manufacturer's serial or identification number would be prohibited on or after January 1, 1980.

There would be no violation pursuant to such provisions until the Director of Motor Vehicles approves a numbering system, as specified, which would ensure that each camper receives a unique number.

The bill would provide that, notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section for a specified reason.

<u>Bill Number</u>	<u>Chapter Number</u>	<u>Date Signed</u>	<u>Effective Date</u>
AB 2902	1209	September 26, 1978	January 1, 1979

An act to amend the heading of Part 6 (commencing with Section 11201) of Division 2 of, to amend Sections 11201, 11203, 11251, 11252, 11271, 11291, 11293, 11316, 11317, 11401, 11403, 11426, 11651.5, 11652, 11653, and 11654 of, and to add Sections 5367 and 11340 to, the Revenue and Taxation Code, relating to taxation.

SIGNED BY THE GOVERNOR (Contd.)AB 2902 - (Contd.)

Under existing law, penalties are frequently specified for failure on the part of a taxpayer to provide information relating to the assessment of property for purposes of property taxation.

This bill would specify a penalty for owners of certain aircraft who neglect to file statements after being requested to do so by the assessor. Provision would be made to abate such penalty if the failure to file is due to reasonable cause and not due to willful neglect.

The bill would also make clarifying changes with respect to certain penalties under the Private Car Tax Law and would specify that certain petitions for reassessment under such law must be in writing.

The bill would also change the title of the Private Car Tax Law to Private Railroad Car Tax Law and would make conforming changes.

<u>Bill Number</u>	<u>Chapter Number</u>	<u>Date Signed</u>	<u>Effective Date</u>
AB 3669	1188	September 26, 1978	Immediately

An act to amend Section 5141 of, and to add Sections 538 and 5152 to, the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

Existing law requires local property tax assessors to assess taxable property pursuant to constitutional and statutory law.

This bill would require an assessor who believes a constitutional provision or statute to be invalid, and as a result thereof, concludes that property should be assessed in a manner contrary to such provision, or the assessor proposes to adopt an interpretation of such provision that would result in a denial of a property tax exemption to at least 5 assessees in that county, in lieu of making such assessment, to bring an action for declaratory relief against the State Board of Equalization.

This bill would take effect immediately as an urgency statute.

<u>Bill Number</u>	<u>Chapter Number</u>	<u>Date Signed</u>	<u>Effective Date</u>
SB 1656	1207	September 26, 1978	SCA 60 approval

An act to add Section 11 to the Education Code, to amend Sections 29100, 50286, and 51511 of, and to add Sections 16101.5 and 43004.5 to, the Government Code, to amend Section 33328 of, and to add Section 33670.5 to, the Health and Safety Code, to amend Sections 205.5, 218, 273.5, 275, 276, 401, 435, 619, 619.2, 722, 1606, 1637, 2611.5, 2905, 4836.5, 11251, 11401, 20542, and 20543 of, and to add Sections 135, 205.1, and 2260.5 to, the Revenue and Taxation Code, and to add Section 22 to the Welfare and Institutions Code, relating to property taxation.

Under existing law all property subject to general property taxation is annually assessed at 25% of its full cash value.

This bill would require such assessments be at full cash value for the 1981-82 fiscal year and fiscal years thereafter and would require local agencies to adjust their property tax rates so that they will receive no additional revenue by reason of the change in the method of assessment.

The bill would make related and conforming changes.

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SIGNED BY THE GOVERNOR (Contd.)SB 1656 - (Contd.)

The bill would also make additional changes in Section 205.5 of the Revenue and Taxation Code, to be operative only if AB 2871 and AB 955 respectively, are chaptered and this bill is chaptered after such other bills.

The bill would also make additional changes in Section 619 of the Revenue and Taxation Code, to be operative only if SB 2241 is chaptered and this bill is chaptered after SB 2241.

The bill would also make additional changes in Section 2054 of the Revenue and Taxation Code, to be operative only if AB 2463 is, chaptered and this bill is chaptered after AB 2463.

The bill would not become operative unless SCA 60 is approved by the voters.

<u>Bill Number</u>	<u>Chapter Number</u>	<u>Date Signed</u>	<u>Effective Date</u>
SB 2006	936	September 19, 1978	Immediately

An act to amend Sections 202 and 270 of, and to add Section 202.2 to, the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

Existing provisions of the California Constitution exempt property used exclusively for public schools from property taxation. Case law has established that the exemption also applies to property used exclusively for the public schools which is not owned by such schools and has applied such exemption to the University of California.

This bill would specify that property used exclusively for community colleges, state colleges and state universities, including the University of California, and leased property used exclusively for educational purposes by a nonprofit institution of higher education, shall be exempted as is specified in the California Constitution.

Under existing law, a lessor is subject to property taxes on property owned and leased by such lessor, but is not required to reduce a lessee's lease payments due to the reduction of property taxes attributable to the exemption of property on the basis it is used exclusively by the lessee.

This bill would require a lessor to reduce lease rental payments on property which receives the benefit of an exemption on the basis such property is used for certain public libraries and museums or used exclusively for public schools, community colleges or state universities, including the University of California, and leased property used exclusively for educational purposes by a nonprofit institution of higher education.

Existing law provides for the cancellation or refund of a specified portion of the property taxes on property as to which certain exemptions, including the public schools exemption, were available, but for which a timely application was not filed, if such exemption is thereafter claimed according to a specified procedure.

This bill would specify that such tax cancellation or refund procedure applies to community colleges, state colleges and state universities.

This bill would take effect immediately as an urgency statute.

October 10, 1978

The following is a list of legislation which we have been following this Legislative Session that has been either signed into law or vetoed by the Governor. Due to the backlog at the printing plant, we have been unable to obtain copies of these bills. As soon as they become available, copies will be sent to you.

<u>Bill Number</u>	<u>Chapter Number</u>	<u>Date Signed</u>	<u>Description</u>
AB 955	1276	September 27, 1978	Veterans' exemptions
AB 1625	1120	September 25, 1978	Agricultural lands
AB 2352	1394	September 30, 1978	Property tax exemptions
AB 2411	1126	September 25, 1978	Fiscal procedures
AB 2649	VETOED		Subdivision of land
AB 2663	1388	September 30, 1978	Assessor records
AB 2867	1112	September 25, 1978	Property taxation
AB 2871	1273	September 27, 1978	Disabled veterans
AB 2955	1109	September 25, 1978	Timber taxation
AB 2974	VETOED		Possessory interests
AB 3505	1084	September 25, 1978	Delinquent penalties
AB 3774	1085	September 25, 1978	Ventura County Flood Control Act
SB 1744	1145	September 25, 1978	Condominiums
SB 1940	1104	September 25, 1978	Assessment: open-space lands
SB 2241	1281	September 27, 1978	Valuation notifications

Sincerely,



Verne Walton, Chief
Assessment Standards Division

VW:sk
Enclosures